

FISCAL NOTE

HB 325 - SB 783

March 29, 2005

SUMMARY OF BILL: Enacts the *Private Process Servers Regulatory Act of 2005* by establishing regulations and licensure for process servers in the State of Tennessee to be administered by the Department of Commerce and Insurance. A violation of the provisions of this bill is punishable as a Class A misdemeanor.

ESTIMATED FISCAL IMPACT:

Increase State Revenues – Exceeds \$100,000

Increase State Expenditures – \$171,300 Recurring/Dept. of C&I

\$12,900 One-Time/Dept. of C&I

Decrease State Revenues – \$243,000 (Collected by Secretary of State)

Decrease State Expenditures – \$230,000/Secretary of State

Increase Local Govt. Revenues – Not Significant

Increase Local Govt. Expenditures – Not Significant

Assumptions:

- An increase in state revenues from the collection of license and renewal fees. The license and renewal fees are not to exceed \$200. It is unknown how many persons would seek licensure. Therefore the revenues generated by fees may not cover estimated expenditures.
- An increase in one-time and recurring state expenditures for two positions and related operational expenditures to license and regulate private process servers.
- According to the Office of the Secretary of State, the provisions of this bill would prohibit the Secretary of State from service of process by mail under existing long-arm statutes and business statutes as well as Rule 4B of the Rules of Civil Procedure. Therefore there will be a decrease in state revenues as a result of not collecting processing fees and a decrease in state expenditures from the abolishment of the Service of Process Unit and its six positions.
- There will not be a sufficient number of prosecutions for local governments to experience any significant increase in revenues or expenditures.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director